

PROJECT FACT SHEET

Pilbara Virtual Gas Pipeline Project

Project:	Pilbara Virtual Gas Pipeline Project
Forecast Cost:	\$250 million
Location:	Boodarie Industrial Estate - Port Hedland WA, Pilbara Region.
Site Details:	<p>Negotiations are currently underway with the WA government and local government as to the best site for this project, to permit the maximum uptake by industries and communities of the economic benefits of LNG use. A site within the Boodarie Industrial Estate under assessment.</p> <p>The Boodarie Industrial estate has the necessary road and rail infrastructure and the chosen site is in close proximity to the gas pipeline.</p> <p>A final decision on the selection of the site has been delayed, pending further negotiations with major clients and industries as to the level of early demand in both areas, to justify the infrastructure commitment.</p>
Facility Proposed:	<p>A 400 tons per day LNG Production and distribution complex, is proposed on the chosen site including:</p> <ul style="list-style-type: none"> • The LNG liquefaction plant - with natural gas pipeline access, metering, gas cleaning, drying and liquefaction facilities; • LNG Storage Tanks; • ISO Tanks and Tanker Terminal; • Power Supply/Generation Plant; • Administration Complex.
Key Capacity Issues:	<p>A capacity of 400 tons per day of LNG production is proposed, with both the rate of production towards this level, and the magnitude of this level, to be continually reassessed over coming months and will be shaped by the outcomes of consultation with large scale consumers, the WA government and peak representatives from respective market segments.</p> <p>This quantity of LNG will be distributed to the wider expanses of the region via road and rail, and in specially constructed ISO Tanks.</p> <p>These ISO tanks can be delivered in customer specified quantities and frequencies, and in tank sizes of either 22,000 litres or 44,000 litre capacity.</p> <p>This flexibility and range of supply methodology is a process known as MLNG's "virtual gas pipeline®".</p>
Economic Benefits of the Project:	<p>\$250 million expenditure on the LNG production and distribution facility will generate:</p> <ul style="list-style-type: none"> • Tendering and supply opportunities to the region; • 375 construction positions; • 65 Administrative and ongoing operational positions; • Forecast to create approximately 1,000 secondary employment positions. <p>LNG use as a diesel fuel replacement will:</p> <ul style="list-style-type: none"> • Reduce the operating fuel costs of participating industries by \$51 million per annum, which represents fuel cost savings of approximately 25% over their existing fuel costs, • Replace the daily consumption of 560,000 litres of diesel fuel; • Reduce the need to import Diesel fuel by up to \$160 million per annum • Assist to reduce regional community living costs by reducing the transport costs component.
Environmental Benefits of the Project:	LNG use as a replacement fuel for Diesel will reduce greenhouse gas emissions by 25% for participating industries, and prevent approximately 120,000 tonnes of CO ₂ emissions from entering the local environment.
Production Date Target:	The facility is scheduled to be in LNG production on or before the 1 st Quarter of 2016.
Key Target Industries and Sectors	<ul style="list-style-type: none"> • Heavy vehicles in the road transport sector, (buses and Trucks) • Rail Sector (Freight) • Electricity Generation (Mining sector, Remote Communities) • Mining Sector Machinery and Heavy Haulage Equipment • Remote Industries and special projects needs • Subsequent phases of the project will concentrate on replacing the need to use diesel in the marine transport sector.